

STATEMENT OF PURPOSE

RS21523

This proposed legislation amends section 23-903, Idaho Code, relating to licensure of the retail sale of liquor-by-the-drink. There are three purposes for this legislation.

(1) The provisions of section 23-903, Idaho Code, prevent the transfer of any licenses issued under that section, which authorizes the issuance of licenses based on population in cities. This legislation will permit the transfer of licenses for the retail sale of liquor if the original issuance of the license was issued based on the population within a city and the license was originally issued prior to July 1, 2012. It will remove the existing prohibition on transferability for licenses which have been issued prior to July 1, 2011.

(2) The legislation provides that retail liquor by the drink licenses based on population within a city and originally issued on or after July 1, 2012, will not be transferable pursuant to a sale, subject to certain exceptions. Permitted transfers of such licenses include transfers between husband and wife, in the event of a property division; transfers arising out of a bankruptcy proceeding; transfers to heirs in the event of a death of the licensee; a transfer arising out of a dissolution of partnership, where the transfer is to one or more of the partners; and transfers of a license within a family.

(3) The legislation authorizes the issuance of a non-transferable license for the retail sale of liquor by the drink to the owner of a full service restaurant, if the restaurant is located in a resort city having authority to enact local non-property taxes pursuant to sections 50-1044 through 1049, Idaho Code. The license only authorizes the sale of liquor by the drink during such time as complete meals are actually and regularly available to be served during the time the restaurant is open to the public. The license authorized by this legislation is not transferable to another location.

The proposal further provides that a person who possesses a transferable liquor by the drink license on the effective date of this legislation, and then sells or transfers that transferable liquor license, may not obtain a restaurant license pursuant to this legislation for a period of five years following such sale or transfer.

FISCAL NOTE

There is no fiscal impact.

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